

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 4445
OFFERED BY MR. LARGENT**

Page 1, strike line 4 and all that follows through the
end of the amendment and insert the following:

1 SEC. 2. PROHIBITION ON NON-RECIPROCATING LOCAL EX-
2 CHANGE CARRIERS.

3 (a) PROHIBITION ON NON-RECIPROCATING LOCAL
4 EXCHANGE CARRIERS.—Each State commission shall con-
5 duct an investigation, to be completed within 180 days of
6 the date of enactment of this Act, to identify each and
7 every non-reciprocating local exchange carrier. Each State
8 commission shall notify each non-reciprocating local ex-
9 change carrier so identified that it has until one year after
10 such date of enactment to take any and all steps necessary
11 to end its status as a non-reciprocating local exchange car-
12 rier or to cease operations. Any local exchange carrier not
13 identified in the investigation that is brought to a State
14 commission's attention by a carrier or other party and is
15 identified by such commission as a non-reciprocating local
16 exchange carrier shall be notified by such commission that
17 it has one year from the date of such notification to cor-
18 rect its status or to cease operations. A non-reciprocating
19 local exchange carrier shall be required to comply with the

1 just and reasonable rates for reciprocal compensation set
2 forth in section 252(d)(2) of the Communications Act of
3 1934 (47 U.S.C. 252(d)(2)) during any such 1-year period
4 of operation.

5 (b) PENALTY.—A State commission shall require a
6 non-reciprocating local exchange carrier to cease operation
7 in accordance with this section. Any non-reciprocating
8 local exchange carrier found to be operating in violation
9 of this section shall, after notice and opportunity for a
10 hearing, be fined not more than \$100,000 for each day
11 that it is found by a State commission to be in violation
12 of this section.

13 (c) DEFINITION OF NON-RECIPROCATING LOCAL EX-
14 CHANGE CARRIER.—A “non-reciprocating local exchange
15 carrier” is any local exchange carrier that does not offer
16 and provide voice telecommunications to business or resi-
17 dential customers.

18 (d) COMMON TERMINOLOGY.—The terms used in this
19 section shall have the same meanings as provided in sec-
20 tion 3 of the Communications Act of 1934 (47 U.S.C.
21 153).

22 (e) FEDERAL COMMUNICATIONS COMMISSION MAY
23 ACT IN LIEU OF STATE.—Notwithstanding section 2(b)
24 of the Communications Act of 1934 (47 U.S.C. 152(b)),
25 the Federal Communications Commission shall act in lieu

1 of a State commission to implement the requirements of
2 this section in any case in which a State commission re-
3 fuses to act, or lacks the authority under law to implement
4 the requirements of this Act. Within 30 days after the
5 date of enactment of this Act, the Federal Communica-
6 tions Commission shall ascertain in writing whether and
7 to what extent each State commission is able and intends
8 to carry out the requirements of this Act. A failure by
9 a State commission to respond within 30 days of receiving
10 the Federal Communications Commission request with re-
11 spect to its authority and intent shall be deemed a refusal
12 to act for purposes of this section. Except as expressly
13 provided in this subsection, nothing in this Act shall be
14 construed to expand or diminish the authority of the Fed-
15 eral Communications Commission with respect to its au-
16 thority over local exchange carriers or State commissions.

17 **SEC. 3. GENERAL ACCOUNTING OFFICE STUDY.**

18 (a) STUDY REQUIRED.—The Comptroller General
19 shall conduct a study of the impact of reciprocal com-
20 pensation paid between carriers under section 251(b) of
21 the Communications Act of 1934 (47 U.S.C. 251(b)) on
22 the costs to consumers for access to the Internet. In con-
23 ducting this study the Comptroller shall examine carrier
24 costs and solicit and incorporate any advice or comment
25 provided State commissions or any Federal-State Joint

1 Board established under section 410(b) of the Commu-
2 nications Act of 1934 (47 U.S.C. 410(b)) to assist in the
3 implementation of the Telecommunications Act of 1996.

4 (b) REPORT REQUIRED.—Within 180 days after the
5 date of enactment of this Act, the Comptroller General
6 shall submit to the Committee on Commerce of the House
7 of Representatives and the Committee on Commerce,
8 Science, and Transportation of the Senate a report on the
9 study required by subsection (a). Such report shall include
10 a finding concerning whether the payment of reciprocal
11 compensation by carriers adversely impacts the costs to
12 consumers for access to the Internet.